

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING

In re:

Castle & Cooke Mortgage, LLC,

Respondent.

**NOTICE OF INTENT TO IMPOSE FINE
AND NOTICE OF RIGHT TO REQUEST HEARING**

The licensing and regulation of mortgage brokers, mortgage bankers and escrow agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter 645A of the Nevada Revised Statutes (hereinafter "NRS"), respectively, and the regulations promulgated thereunder. The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter the "Division") has the general duty to exercise supervision and control over mortgage brokers, mortgage bankers and escrow agencies pursuant to these chapters. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. Castle & Cooke Mortgage, LLC ("Respondent") is a foreign limited liability company. Currently, Respondent's status with the Nevada Secretary of State is "active."

2. Respondent was issued a mortgage broker license on November 14, 2008, pursuant to Chapter 645B of NRS. Currently, Respondent's status with the Division is "active."

3. Based upon information and belief, at all relevant times herein mentioned, Respondent conducted mortgage lending activity out of its office located at 6900 Westcliff

1 Drive, 8th Floor, Las Vegas, Nevada 89145.

2 4. Phyllis Hilsabeck ("Hilsabeck") was initially registered with the Financial
3 Institutions Division on July 16, 2001, and was subsequently licensed by the Division as a
4 mortgage agent (License No. 16216) pursuant to Chapter 645B of NRS.

5 5. On October 20, 2009, Hilsabeck's mortgage agent license was cancelled for
6 failure to renew, pursuant to NRS 645B.430(2).

7 6. Hilsabeck's status with the Division was "license cancelled" continuously from
8 October 20, 2009 to December 18, 2009.

9 7. At all relevant times herein mentioned, Hilsabeck was associated with, or
10 employed by, Respondent as a mortgage agent and conducted mortgage lending activity
11 relating to properties in Nevada on its behalf.

12 8. Pursuant to NRS 645B.450, "[a] mortgage broker shall not associate with or
13 employ a person as a mortgage agent or authorize a person to be associated with the
14 mortgage broker as a mortgage agent if the mortgage agent is not licensed with the Division
15 pursuant to NRS 645B.410...." See, NRS 645B.450(2).

16 9. Pursuant to NRS 645B.060, with limited exception, the Division is charged with
17 conducting "...an annual examination of each mortgage broker doing business in this
18 State...." See, NRS 645B.060(2)(d).

19 10. Pursuant to NRS 645B.060, the Division commenced a regularly scheduled
20 examination of Respondent's books and records on April 21, 2010 which revealed, among
21 other things, that during the period when Hilsabeck's mortgage agent license was cancelled
22 (from October 20, 2009 to December 18, 2009), Hilsabeck originated at least three (3)
23 mortgage loans while associated with, or employed by, Respondent. Hilsabeck's unlicensed
24 mortgage agent activity included completing and executing Uniform Residential Loan
25 Applications ("1003s") on October 21, 2009, November 11, 2009, and November 13, 2009 for
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1 borrowers JH, RP, and TB, respectively.

2 11. Pursuant to NRS 645B.670, "[f]or each violation committed by a mortgage broker,
3 the Commissioner may impose upon the mortgage broker an administrative fine of not more
4 than \$25,000, may suspend, revoke or place conditions upon his license, or may do both, if
5 the mortgage broker...(d)oes not conduct his business in accordance with law or has violated
6 any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the
7 Commissioner..." See, NRS 645B.670(2)(c).

8 VIOLATIONS OF LAW

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10 The Division determined that during the period from October 20, 2009 to
11 December 18, 2009, when Hilsabeck was unlicensed:

12 a. Hilsabeck originated at least three (3) mortgage loans while associated with, or
13 employed by, Respondent; and

14 b. Respondent associated with or employed Hilsabeck as a mortgage agent or
15 authorized Hilsabeck to be associated with or employed by Respondent as a mortgage agent,
16 in violation of NRS 645B.450(2) and NRS 645B.670(2)(c).

17 ORDER

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19 **NOW, THEREFORE, IT IS HEREBY ORDERED** that, pursuant to NRS 233B.121 and
20 NRS 645B.750(2), NRS 645E.750(2) or NRS 645A.100(2), as applicable, upon the timely filing of
21 an application with the Division within **twenty (20) days** of the date of this Order, Respondent
22 shall be entitled to a hearing with regard to the contents of this Order. At that hearing, the
23 Division will seek:

24 a. The imposition of an administrative fine against Respondent in the amount of Seven
25 Thousand Five Hundred Dollars and No Cents (\$7,500.00), payable to the Division on account
26 of Respondent's violations of Chapter 645B of NRS, the Division's administrative costs in the
27 amount of Three Hundred Dollars and No Cents (\$300.00) as well as the Division's attorney's
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1 fees, if any, incurred herein, each to be proven at the hearing or upon the filing of a proper
2 affidavit; and

3 b. Respondent's payment, in full, of the administrative fine, costs and fees to the Division
4 within **thirty (30) days** of entry of the Final Order.

5 Should Respondent request a hearing, Respondent is advised of the following:

6 a) Respondent is entitled to be represented by legal counsel at its own cost and expense; b) At
7 any hearing Respondent shall be entitled to respond and to present evidence and argument on
8 all issues involved; c) Requests may be made to the Commissioner for the issuance of
9 subpoenas; however, the Commissioner may request the proposed testimony of any such
10 person prior to the issuance of the subpoena; and d) Unless precluded by law, the parties may
11 agree to an informal resolution or settlement prior to any hearing.
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13 Should Respondent not request a hearing within **twenty (20) days** of the date of this
14 Order, the Division will enter a Final Order in this matter against Respondent, as otherwise
15 required by law.

16 Dated this 11th day of October, 2010.

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18 State of Nevada
19 Department of Business and Industry
20 Division of Mortgage Lending

21 By: Joseph L. Waltuch
22 Joseph L. Waltuch, Commissioner
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CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on, October 12, 2010, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING for CASTLE & COOKE MORTGAGE, LLC, addressed as follows:

Qualified Employee
Castle & Cooke Mortgage LLC
6900 Westcliff Drive, Suite 800
Las Vegas, NV 89145

Certified Receipt Number: 7008 1830 0002 7959 6526

Stacy Anderson
Castle & Cooke Mortgage LLC
2735 East Parley's Way #305
Salt Lake City, UT 84109

Certified Receipt Number: 7008 1830 0002 7959 6533

DATED this 11th day of October, 2010

By: Susan Stock
Employee of the Division